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The Aluminum Situation

Department of Economics and Statistics

April 1986

Shipments Up 3.4 Percent

Net shipments for two months of 1986, at an estimated 2,496 million pounds, were up 3.4 percent from the first two months of 1985 total of 2,415 million pounds.

Domestic shipments of 2,307 million pounds were up 5.8 percent from the 1985 total of 2,181 million pounds.

Imports of ingot and mill products were up 29.6 percent and exports were down 19.1 percent.

Thru February 1986

	2 Mos. 1986	2 Mos. 1985	% Change
Mill Products	2,038	1,899	7.3%
Ingot	458	516	-11.2%
Total	2,496	2,415	3.4%
Less Exports	-189	-234	-19.2%
Domestic Total	2,307	2,181	5.8%

Estimates: Latest two months estimates by the Aluminum Association. Previous data-Bureau of the Census.

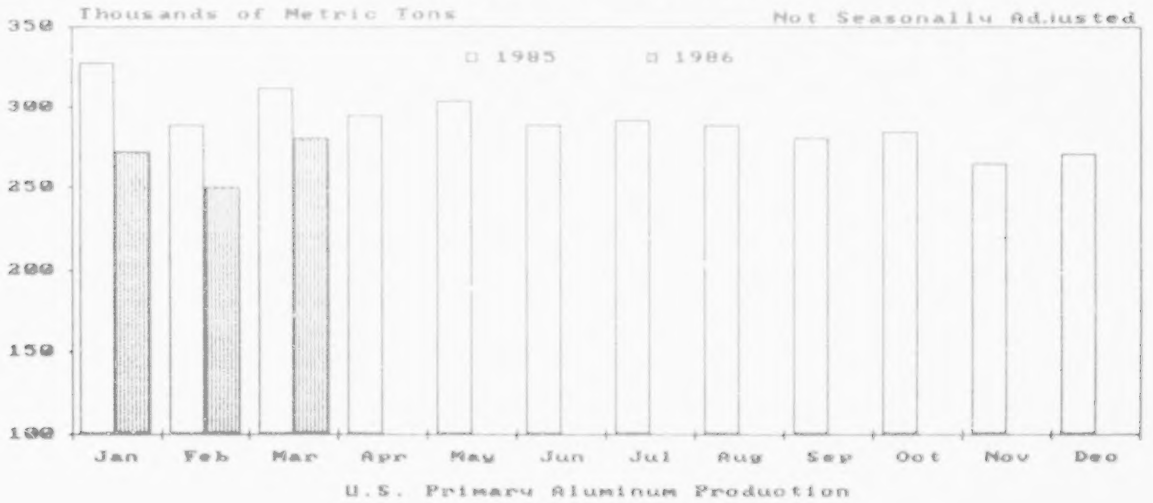
Production Rate Down 10.0 Percent

U.S. primary aluminum production averaged 9,062 METRIC tons daily during March 1986, compared with an average 10,073 METRIC tons per day in March 1985.

The annual rate of production in March 1986 was 3,307,630 METRIC tons, compared to 3,268,223 METRIC tons in February 1986. The March 1985 annual rate was 3,676,811 METRIC tons. Actual production in March 1986 was 280,922 METRIC tons.

Commencing January 1986, Aluminum Association primary production is measured in METRIC tons.

Primary Production



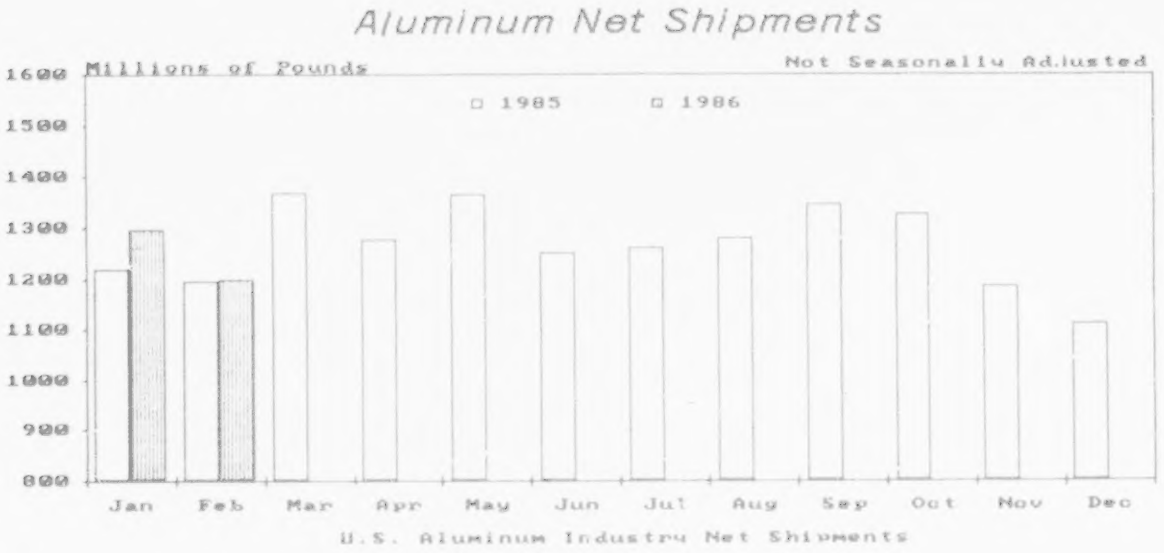
U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipments Up 3.4 Percent

Estimated shipments of 2,496 million pounds for two months of 1986 were up 3.4 percent from the 1985 two month total of 2,415 million pounds. Exports were down 19.1 percent so domestic shipments showed a 5.8 percent increase over a year ago.



Net Shipments

(Millions of Pounds)

	1986 Feb.	1986 Feb.	1986 2 Mos.	1986 2 Mos.	% Change YTD 1986 vs. 1985
Sheet	505.0	477.9	1,031.8	946.3	+ 9.0
Plate	19.0	22.2	42.6	43.5	- 2.1
Foil	74.0	64.5	148.4	128.3	+15.7
Rod, Bar & Wire	33.0	23.5	63.1	52.8	+19.5
Electrical Conductor	42.0	54.0	92.7	113.2	-18.1
Extruded Shapes & Tube**	230.0	211.6	464.3	430.9	+ 7.8
Powder & Paste	8.0	8.3	16.4	18.9	-13.2
Forgings & Impacts	12.0	12.3	23.9	25.0	- 4.4
Net Imports of Mill Products (Total) (a)	77.0	66.3	155.4	139.8	+11.2
Total Mill Products	1,000.0	940.6	2,038.6	1,898.7	+ 7.4
Ingot (b)	200.0	254.8	457.7	516.4	-11.4
TOTAL INDUSTRY SHIPMENTS	1,200.0	1,195.4	2,496.3	2,415.1	+ 3.4
Exports	-96.4	-103.6	-189.1	-233.8	-19.1
TOTAL DOMESTIC SHIPMENTS	1,103.6	1,091.8	2,307.2	2,181.3	+ 5.8

** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

First Quarter 1986 Net New Orders Up 44.6 Percent

Estimated net new order receipts for three months of 1986 at 5,762 million pounds were up 44.6 percent over the revised first three months of 1985 total of 3,984 million pounds. March orders of 1,651 million pounds were down 10.6 percent from February's 1,847 million pounds.

Order Receipts

(Millions of Pounds)

	1986 Mar.*	1985 Mar.	1986 3 mos.	1985 3 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	382.7	244.1	1,191.4	817.9	+ 45.7
Sheet & Plate, Other	797.5	329.8	1,252.0	1,021.0	+ 22.6
Foil	73.8	56.2	237.9	184.4	+ 29.0
Rod, Bar & Wire	32.3	12.5	97.4	37.2	+161.8
Electrical Conductor	58.2	62.9	176.9	182.7	- 3.2
Extruded Products	257.1	220.4	808.9	638.2	+ 26.7
Powder & Paste	10.0	8.2	24.3	31.9	- 23.8
Forgings & Impacts	18.7	7.5	38.1	31.1	+ 22.5
Domestic Mill Products	1,110.3	941.6	3,826.9	2,944.4	30.0
Ingot (Total)	473.1	221.0	1,668.9	768.6	+117.1
TOTAL DOMESTIC	1,583.4	1,162.6	5,495.8	3,713.0	+ 48.0
Exports	67.7	97.5	266.0	270.9	- 1.8
TOTAL ALL PRODUCTS	1,651.1	1,260.1	5,761.8	3,983.9	+ 44.6

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

February 1986 Inventories Down Slightly

Producer inventories declined an estimated 6 million pounds in February 1986 from a revised January level of 5,089 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,084	3,479	163	853
Dec 84	5,459	4,692	229	929

Month	Total*	Total	Scrap	All Other
Feb 85	3,490	2,698	676	2,450
Mar 85	3,809	2,966	663	2,577
Apr 85	3,703	2,307	680	2,449
May 85	3,584	2,370	692	2,412
Jun 85	3,596	2,436	664	2,496
Jul 85	3,575	2,358	681	2,444
Aug 85	3,463	2,397	695	2,396
Sep 85	3,478	2,378	662	2,416
Oct 85	3,437	2,347	643	2,347
Nov 85	3,346	2,284	612	2,348
Dec 85	3,160r	2,241r	569r	2,349r
Jan 86	3,089r	2,130r	552r	2,406r
Feb 86	3,083	2,040	552	2,491

*Latest two months estimated on basis of shipments. Totals may not add due to rounding.
r=revised
Data estimates are available additional months on request to the Aluminum Association, Statistical Service, Chicago (See Address Directory for location and telephone number).

Imports and Exports

(Millions of Pounds)

		1986 Feb.	1985 Feb.	1986 2 Mos.	1985 2 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	80.4	70.4	181.5	174.2	+ 4.2
	Ingot	123.3	124.9	401.7	275.9	+45.6
	Total	311.7	204.2	583.2	450.1	+29.6
	Scrap (& Dross)	28.2	18.8	54.7	39.6	+38.1
	Grand Total	339.9	223.0	637.9	489.7	+30.3
Exports	Mill Products	40.2	34.2	84.7	76.6	+10.6
	Ingot	56.4	69.3	104.4	157.1	-33.5
	Total	96.4	103.5	189.1	233.7	-19.1
	Scrap	70.8	74.3	142.8	138.6	+ 3.0
	Grand Total	167.2	177.8	331.9	372.3	-10.9
Net Imports		172.7	45.2	306.0	117.4	+160.6

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.